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CITY CLERK
HONOLULU, HAWAII
City Council, City and County of Honolulu
April 25, 2012 10:00 a.m.

RE: Testimony in Opposition to Bill 10, Relating to the use of bags provided to customers.

Chair Martin and Council Members:

Thank you for the opportunity to submit testimony in opposition to Bill 10, Relating to the use of bags provided to customers. Our company operates 19 stores in Hawai'i – 13 of which are on the island of O'ahu.

While we support the intent of this measure, we believe a State Legislative fee on all single-use bags across the state that is implemented to help shape consumer behavior is the preferred mode of action. The bill currently being heard by the State Legislature at this time is the favored vehicle because it provides the opportunity and incentive for consumers to reduce their use of both paper and plastic bags. Both paper and plastic bags have significant effects on the environment. Paper bags require more energy to produce and are more expensive to manufacture than plastic. Thus, a statewide policy, which seeks to curb use of all single-use bags with a fee is the most effective means to change public behavior and lessen the negative impacts on the environment and community businesses.

Since the plastic bag bans took effect on the neighbor islands last year, our stores have seen a significant cost escalation of over \$30,000 annually due to increased consumer use of paper bags.

Companies like ours with razor thin margins are then required to pass along those unnecessarily inflated costs to consumers. This hurts (rather than helps) consumers and provides no environmental benefit whatsoever.

Because the paper bags are free, consumers essentially have no reason to not take them. Conversely, when cities and counties have placed a small fee on paper bags, a strong disincentive emerges. Such has been the case in the city of San Jose, California – where plastic bags were completely banned beginning January 2012 and retailers now charge 10 cents per paper bag. Consumers have adapted their behavior and our paper bag usage is down considerably (only one in four customers is purchasing a bag).

We respectfully oppose the current proposals, which would ban the use of certain bags.

Thank you for the opportunity to share our views on this important legislation. Should you have additional questions, please do not hesitate to contact me (925) 467-3102.

Thank you,
Rachel Zenner
Director of Local & Federal Government Relations
Safeway Inc.

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